

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO, as representative of

THE COMMONWEALTH OF PUERTO
RICO, *et al.*

Debtors,¹

PROMESA
Title III

No. 3:17-BK-3283-LTS
(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as a representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA
Title III

No. 3: 17-BK-03567 (LTS)

RE: ECF No. 2247

**This motion relates only to HTA
and shall be filed in the lead Case
No. 17 BK 3283-LTS and Case
No. 17 BK 3567-LTS.**

**JOINT MOTION TO HOLD IN ABEYANCE *MOTION OF NATIONAL PUBLIC
FINANCE GUARANTEE CORPORATION FOR ENTRY OF AN ORDER UNDER
BANKRUPTCY RULE 2004 AUTHORIZING LIMITED DISCOVERY OF THE
GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO (ECF NO. 2247)***

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

COME NOW, National Guarantee Public Finance Corporation (“National”) and the Government Development Bank for Puerto Rico (“GDB”)², through their undersigned counsel and hereby state and request as follows:

1. On January 16, 2018, National moved the Court for authorization to take Rule 2004 discovery of GDB regarding the existence, historical treatment, and status of the Puerto Rico State Infrastructure Bank (“SIB”) account allegedly created at GDB for the benefit of Puerto Rico Highway and Transit Authority (“PRHTA”) bondholders, to serve as collateral to a series 1998 PRHTA bonds insured by National (“National Rule 2004 Motion”). ECF No. 2247. National requested that the National Rule 2004 Motion be heard on February 7, 2018. ECF No. 2250.

2. On January 25, 2018, the Court granted GDB’s motion for an extension of time to respond to the National Rule 2004 Motion, allowing GDB until January 30, 2018, to submit its opposition, but denied GDB’s request to reschedule argument on the National Rule 2004 Motion. ECF No. 2285. The Court scheduled the National Rule 2004 motion for argument at the February 7, 2018 omnibus hearing. *Id.*

3. On January 29, 2018, counsel for National and GDB met and conferred regarding the document requests attached as Schedule A to the proposed order accompanying the National Rule 2004 Motion (“Schedule A”). ECF. No. 2247-1. During the conferral, National and GDB reached certain agreements regarding the production of documents responsive to those requests. Specifically, GDB agreed to produce documents relating to the SIB subaccount designated “Puerto Rico Highway and Transportation Authority Subordinated Transportation Revenue Bonds (Series 1998) Highway Subaccount” that are responsive to the requests in

² GDB makes this special appearance solely for the purposes included in this motion. GDB is not a Title III debtor and is not a party in interest to the captioned proceedings and other than as relates to the request directed at it, has no interest in these proceedings.

Schedule A. National and GDB further agreed that GDB will designate an individual with knowledge of such matters and to produce such designated individual for examination by counsel to National under oath, as well as on an agreeable timeline to complete such a production.

4. Specifically, GDB has agreed to commence the document production on February 19, 2018, on a rolling basis, and to complete such production no later than March 2, 2018. By March 2, 2018, GDB will also designate the individual for examination under oath by National. Any such examination will be conducted in Puerto Rico at a place, date, and time that is mutually agreed upon by the parties, and counsel for GDB will attend and participate during such an examination.

5. The parties also have agreed that to the extent the parties are unable to resolve through the meet and confer process any disputes regarding the sufficiency of GDB's production, upon notice to the Court and all parties, National may reinstate the National Rule 2004 Motion. The parties agree that following such notice, GDB would have seven (7) days to submit any objections to the renewed motion, and National would have seven (7) days to submit a reply. The fact that GDB has met and conferred with National and reached certain agreements, as set forth herein, should not be construed as an admission that it was bound to produce any documents and/or persons for examination under oath, nor a waiver of any basis to oppose the National Rule 2004 Motion.

6. The parties further agree that National's rights under Bankruptcy Rule 2004 and applicable law to request additional discovery are reserved, including its right to request additional documents or depositions based on information that may be revealed as a result of the information provided by GDB in response to National's requests. The parties further agree that

GDB reserves all rights to oppose any discovery, including any additional request under Bankruptcy Rule 2004, after the parties have exhausted the meet and confer requirements.

7. In light of the parties' agreement on the above-referenced matters, the intervention of the Court on the National Rule 2004 Motion is unnecessary at this time. Accordingly, the parties request that the Court remove the National Rule 2004 Motion from the February 7, 2018 omnibus hearing calendar and hold it in abeyance until such time as National may notice its reinstatement or withdrawal.

WHEREFORE, National and GDB jointly request that the Court hold the National Rule 2004 Motion in abeyance and exclude it from the matters to be discussed in the February 7, 2018 omnibus hearing.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 30th day of January, 2018.

IT IS HEREBY CERTIFIED that a true copy of this document has been filed with the Clerk of the Court electronically using the CM/ECF system, which automatically serves notification of the filing to parties in interest.

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